

WAUKEGAN PARK DISTRICT  
WAUKEGAN, ILLINOIS

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GOLF OPERATIONS  
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2019

**WAUKEGAN PARK DISTRICT, ILLINOIS  
GOLF COURSE OPERATIONS**

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## **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**



**INDEPENDENT AUDITORS' REPORT**

August 15, 2019

Members of the Board of Commissioners  
Waukegan Park District  
Golf Operations  
Waukegan, Illinois

We have audited the accompanying financial statements of the Golf Operations of the Waukegan Park District, Illinois, which comprise the combining departmental balance sheet as of April 30, 2019, and the related combining schedule of activity and combining schedule of cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Golf Operation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Golf Operation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Golf Operations of the Waukegan Park District, Illinois, as of April 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Waukegan Park District, Illinois  
Golf Operations  
August 15, 2019  
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**Other Matters**

As discussed in Note 1, the financial statements present only the Golf Operations of the Waukegan Park District, Illinois and are not intended to present fairly, the financial position and results of operations of the Waukegan Park District, Illinois in conformity with accounting principles generally accepted in the United States of America.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## **FINANCIAL STATEMENTS**

**WAUKEGAN PARK DISTRICT, ILLINOIS  
GOLF OPERATIONS**

**Combining Departmental Balance Sheet  
April 30, 2019**

	Bonnie Brook	Greenshire	Total
<b>ASSETS</b>			
Current Assets			
Cash	\$ 51,240	457	51,697
Accounts Receivable	4,099	-	4,099
Due from Other Golf Course	7,442	-	7,442
Inventory	77,791	1,604	79,395
Prepays	20,770	2,416	23,186
Total Assets	161,342	4,477	165,819
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	155,789	5,644	161,433
Unearned Income	160,508	3,683	164,191
Due to Other Golf Course	-	7,442	7,442
Due to Waukegan Park District	823,850	58,000	881,850
Total Liabilities	1,140,147	74,769	1,214,916
<b>FUND BALANCES</b>			
Departmental Fund Balances	(978,805)	(70,292)	(1,049,097)
Total Liabilities and Fund Balances	161,342	4,477	165,819

The notes to the financial statements are an integral part of this statement.



**WAUKEGAN PARK DISTRICT, ILLINOIS  
GOLF OPERATIONS**

**Combining Schedule of Activity  
For the Fiscal Year Ended April 30, 2019**

	Bonnie Brook	Greenshire	Total
Revenues			
Greens Fees	\$ 309,763	45,959	355,722
Food and Beverage	759,954	2,036	761,990
Pro Shop Sales	73,823	1,564	75,387
Carts	185,864	10,065	195,929
Driving Range	10,151	-	10,151
Golf Passes	118,123	45	118,168
Miscellaneous	2,912	890	3,802
Total Revenues	<u>1,460,590</u>	<u>60,559</u>	<u>1,521,149</u>
Expenses			
Salaries and Wages	903,034	47,897	950,931
Contractual Services	109,988	2,817	112,805
Commodities	410,267	7,248	417,515
Utilities	97,106	7,536	104,642
Insurance	66,699	4,237	70,936
Repair	192,210	16,492	208,702
Total Expenses	<u>1,779,304</u>	<u>86,227</u>	<u>1,865,531</u>
Change in Net Position	(318,714)	(25,668)	(344,382)
Net Position - Beginning	<u>(660,091)</u>	<u>(44,624)</u>	<u>(704,715)</u>
Net Position - Ending	<u>(978,805)</u>	<u>(70,292)</u>	<u>(1,049,097)</u>

The notes to the financial statements are an integral part of this statement.

**WAUKEGAN PARK DISTRICT, ILLINOIS  
GOLF OPERATIONS**

**Combining Schedule of Cash Flows  
For the Fiscal Year Ended April 30, 2019**

	Bonnie Brook	Greenshire	Total
<b>Cash Flows from Operating Activities</b>			
Received from Customers	\$ 1,450,814	61,499	1,512,313
Payments to Employees	(903,034)	(47,897)	(950,931)
Payments to Suppliers	(558,898)	(15,026)	(573,924)
	(11,118)	(1,424)	(12,542)
<b>Cash and Cash Equivalents</b>			
Beginning	62,358	1,881	64,239
Ending	51,240	457	51,697
<b>Reconciliation of Changes in Departmental Balances to Net Cash</b>			
Provided (Used) by Operating Activities			
Changes in Departmental Balances	(318,714)	(25,668)	(344,382)
Adjustments to Reconcile Changes in Departmental Balances to Net Income to Net Cash			
Provided by (Used In) Operating Activities:			
(Increase) Decrease in Current Assets	(9,776)	940	(8,836)
Increase (Decrease) in Current Liabilities	317,372	23,304	340,676
Net Cash Provided by Operating Activities	(11,118)	(1,424)	(12,542)

The notes to the financial statements are an integral part of this statement.

**WAUKEGAN PARK DISTRICT, ILLINOIS  
GOLF OPERATIONS**

**Notes to the Financial Statements  
April 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Waukegan Park District (District) was incorporated in 1916. The District operates under a Board-Manager form of government, providing recreation and other services to the residents of Waukegan, which include: recreation programs, park management, capital development and general administration.

The District owns two golf courses, Bonnie Brook and Greenshire, which together comprise the Golf Operations of the District. The accounting policies of the Golf Operations conform to accounting principles generally accepted in the United States of America as applicable to government units. A more detailed explanation of the District's accounting policies can be found in the District's Comprehensive Annual Financial Report for the year ended April 30, 2019. The following is a summary of significant policies:

**AGREEMENT WITH GOLFFVISIONS MANAGEMENT**

On December 1, 2012, the Park District entered into a management agreement with GolfVisions Management Inc. (GolfVisions). Under the terms of the agreement from January 13, 2015, GolfVisions will manage the golf operations of the District for a three-year term beginning May 1, 2015 and ending April 30, 2019. On August 7, 2017, this agreement was extended for a further three years beginning May 1, 2018 and ending April 30, 2021.

Under the terms of the agreement, the District will pay a management fee of \$4,250 per month in exchange for management services. In addition, the District must pay an incentive fee of 10% of the amount of net income in excess of \$100,000 received from golf operations in each fiscal year of the term.

**BASIS OF ACCOUNTING**

The financial statements reflect the accrual basis of accounting. The District reports unearned revenue on its balance sheet for funds collected in advance on golf programs.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

**DUE TO WAUKEGAN PARK DISTRICT**

The Golf Operations owes the Recreation Fund of the District \$881,850 as of April 30, 2019 for monies advanced and not yet repaid. The amount is interest free, unsecured and due on demand.